

Interim report January 1 – June 30 2012

Åseda, 20 July, 2012

Continued profit improvement in the second quarter

Second quarter

- Turnover MSEK 227.9 (236.8), down 4 percent compared to previous year
- Operating profit MSEK 12.1 (5.5.) after positive one-off items amounting to MSEK 3.6. Last years result was effected by one-off charges of MSEK 1.3
- Net income MSEK 7.6 (2.6)
- Cash flow from current operations MSEK 27.0 (-3.5)
- Earnings per share SEK 1.53 (0.53)

First six months

- Turnover MSEK 454.4 (461.9), down 2 percent from previous year
- Operating profit MSEK 22.1 (8.8) after positive one-off items amounting to MSEK 3.6. Last years result was effected by one-off charges of MSEK 3.4
- Net income MSEK 13.4 (3.8)
- Cash flow from current operations MSEK 24.6 (0.7).
- Earnings per share SEK 2.71 (0.78)

Anders Frisinger, President and CEO of ProfilGruppen, says:

"The development of the result show that we, despite the weakened market, are moving in the right direction. In order to reach our financial targets we will continue to increase our market activity focusing on existing as well as new customers. We can also increase volumes without increasing our personnel or machine capability. "

ProfilGruppen is a supplier of complex customised aluminium extrusions and components. For income, financial position, key figures and other facts about the Group, refer to pages 5-13. Current information and photographs for free publication are available at www.profilgruppen.se.

For more information, please contact:

Anders Frisinger, President and CEO
Mobile +46 (0)70-585 12 38
anders.frisinger@profilgruppen.se

Peter Schön, CFO
Mobile +46 (0)70-339 89 99
peter.schon@profilgruppen.se

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ProfilGruppen AB (publ), Box 36, SE-360 70 Åseda, Sweden
Phone +46 474-550 00, Corporate ID no. 556277-8943, www.profilgruppen.se



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Market

The European market for aluminium extrusions has continued to weaken in the second quarter 2012, but with substantial geographical variations. Also the transportation segment is partly affected by the downturn, although the automotive sub-segment shows a slight growth driven by material substitution and mix shift towards car models with higher aluminium contents. The building and construction segment is showing stable volumes in most markets in northern Europe.

In the latest forecast from the European Aluminium Association (EAA), the market for aluminium extrusions was assessed to have decreased by approximately five percent in the first half-year of 2012 compared to the corresponding period 2011.

The price of aluminium raw material on London Metal Exchange (LME) has decreased by 13 percent during the second quarter and amounted to slightly less than USD 1 900 per ton at the end of the half-year, which is slightly more than 26 percent lower than at the corresponding time previous year.

Turnover

The turnover of the Group amounted to MSEK 454.4 (461.9), a decrease by 2 percent compared to the previous year. The delivery volume was 10,800 tonnes (10,550) of aluminium extrusions, an increase by 2 percent compared to the previous year.

The share of exports decreased to 50 percent (52) of volume, and 49 percent (51) of turnover.

Turnover per country, MSEK	Q 2 2012	Q 2 2011	Q 1-2 2012	Q 1-2 2011	12 months ongoing	Q 1-4 2011
Sweden	118.8	111.4	230.2	227.7	426.6	424.1
Germany	26.7	38.6	57.4	64.8	104.7	112.1
Norway	22.4	16.3	47.6	32.9	74.8	60.1
Poland	7.8	10.6	18.2	21.1	30.4	33.3
Denmark	23.4	28.1	43.6	51.2	73.3	80.9
United Kingdom	7.8	10.8	17.8	23.4	39.7	45.3
Other countries	21.0	21.0	39.6	40.8	79.7	80.9
TOTAL	227.9	236.8	454.4	461.9	829.2	836.7

Income from the Swedish market increased by seven percent for the second quarter 2012 compared to the corresponding period previous year. Income from the transportation segment showed an increase by slightly more than 16 percent, while the building and construction segment had an increase by approximately 13 percent and the electrical engineering segment an increase by approximately five percent. General engineering showed stable delivery level, however all other segments showed lower income compared to the corresponding period previous year.

Income from the export markets decreased by 13 percent for the second quarter compared to the corresponding period last year. Deliveries to Norway increased by as much as 37 percent related to strong demand from individual customers in the transportation segment. Deliveries to Germany decreased by 31 percent, mainly related to the electrical engineering and general engineering segments. All other markets showed lower income compared to the corresponding period 2011.

Turnover per sector, MSEK	Q 2 2012	Q 2 2011	Q 1-2 2012	Q 1-2 2011	12 months ongoing	Q 1-4 2011
Electrical engineering	43.8	51.3	80.8	89.9	153.7	162.8
Transportation	82.4	81.8	167.5	161.1	295.2	288.8
Building and construction	38.1	34.0	68.3	68.1	123.0	122.8
Domestic and office equipment	14.7	20.6	33.8	40.8	69.2	76.2
General engineering	31.2	34.9	67.6	67.4	121.4	121.2
Other industries	17.7	14.2	36.4	34.6	66.7	64.9
TOTAL	227.9	236.8	454.4	461.9	829.2	836.7

Income from the building and construction segment shows a significant increase, slightly less than 12 percent, for the second quarter compared to the corresponding period previous year. Deliveries to the transportation segment were relatively stable with an increase by slightly less than one percent. Deliveries to the electrical engineering and general engineering segments decreased by 15 and 11 percent respectively.

During the period, the Group manufactured 10,950 tonnes (10,500) of aluminium extrusions.

Comments on profit

The operating profit/loss for the first quarter amounted to MSEK 22.1 (8.8), which is equivalent to an operating margin of 4.9 percent (1.9). The result improvement compared to the same period last year is related to adjusted costs. The result was positively affected by one-off items amounting to MSEK 3.6. Last year's result was charged by one-off costs amounting to MSEK 3.4.

The profit/loss after financial items amounted to MSEK 18.3 (5.3). The profit/loss after tax amounted to MSEK 13.4 (3.8).

Earnings per share totalled SEK 2.71 (0.78). The average number of shares in thousands was 4,933 (4,933).

The return on capital employed amounted to 14.5 percent (5.3).

The second quarter

Turnover amounted to MSEK 227.9 (236.8). The delivery volume in the quarter was 5,400 tonnes (5,400) of aluminium extrusions, and production was 5,400 tonnes (5,100). The share of exports amounted to 48 percent (54) of volume, and 50 percent (53) of turnover.

The operating profit for the second quarter amounted to MSEK 12.1 (5.5). The result was positively affected by one-off items amounting to MSEK 3.6. Previous year was charged by one off costs amounting to MSEK 1.3.

The profit after financial items amounted to MSEK 10.3 (3.7). Earnings per share totalled SEK 1.53 (0.53)

Investments

Investments during the first two quarters amounted to MSEK 8.3 (4.9).

Financing and liquidity

Cash flow from current operations amounted to MSEK 24.6 (0.7) and cash flow after investments was MSEK 14.0 (-4.5).

The cash flow from current operations for the second quarter amounted to MSEK 27.0 (-3.5).

The balance sheet total as of 30 June 2012 was MSEK 525.3 (551.6).

Net debt amounted to MSEK 130.6 (141.1) as of 30 June 2012 and the net debt/equity ratio was 0.75 (0.89).

Personnel

The average number of Group employees during the period was 360 (394). The number of Group employees as of 30 June 2012 totalled 357 (406).

Significant risks and uncertain factors

The company's risks and risk management have not changed significantly since the publishing of the 2011 annual report.

Outlook for 2012

The outlook for 2012 is very cautious and dominated by a general uncertainty.

Dates for financial information

Financial information for 2012 will be provided on a quarterly basis.

Interim report, 9 months 22 October 2012, 14.00 p.m

Year-end report 2012 26 February 2013, 14.00 p.m

Åseda, July 20, 2012

Eva Färnstrand
Chairman

Anders Frisinger
President & CEO

Bengt Stillström
Member of the Board

Susanna Hilleskog
Member of the Board

Mats Egeholm
Member of the Board

Kurt Nilsson
Member of the Board
Employee representative

Ulf Näslund
Member of the Board
Employee representative

Thomas Widstrand
Member of the Board

This report has not been submitted for checking by the company's auditors.

Statement of comprehensive income

The Group, MSEK	Q 2 2012	Q 2 2011	Q 1-2 2012	Q 1-2 2011	12 months ongoing	Q 1-4 2011
Net turnover	227.9	236.8	454.4	461.9	829.2	836.7
Cost of goods sold	-201.9	-208.5	-400.7	-402.6	-752.7	-754.6
Gross margin	26.0	28.3	53.7	59.3	76.5	82.1
Other operating revenues	3.9	0.0	3.9	0.0	62.1	58.2
Selling expenses	-10.2	-12.4	-19.9	-28.9	-45.6	-54.6
Administrative expenses	-7.6	-10.4	-15.6	-21.6	-38.4	-44.4
Other operating expenses	0.0	0.0	0.0	0.0	-23.6	-23.6
Operating profit/loss	12.1	5.5	22.1	8.8	31.0	17.7
Financial income	0.1	0.0	0.2	0.1	0.4	0.3
Financial expenses	-1.9	-1.8	-4.0	-3.6	-7.8	-7.4
Net financial income/expense	-1.8	-1.8	-3.8	-3.5	-7.4	-7.1
Income after financial items	10.3	3.7	18.3	5.3	23.6	10.6
Tax	-2.7	-1.1	-4.9	-1.5	-6.5	-3.1
Net income for the period	7.6	2.6	13.4	3.8	17.1	7.5
Other comprehensive income						
Changes in hedging reserve	-0.8	-5.8	-0.3	-5.1	-1.2	-6.0
Translation differences	0.0	0.2	0.0	0.1	-0.1	0.0
Other, reported directly against equity	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	6.8	-3.0	13.1	-1.2	15.8	1.5
Earnings per share (before and after dilution), SEK	1.53	0.53	2.71	0.78	3.44	1.51
Average number of shares, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Depreciation and write- down of fixed assets						
Intangible fixed assets	0.3	0.0	0.3	0.0	0.3	0.0
Land and buildings	1.0	1.0	2.0	2.0	5.0	5.0
Machinery and equipment	6.1	6.6	12.8	14.1	24.6	25.9
Total	7.4	7.6	15.1	16.1	29.9	30.9
of which write-down	0.0	0.0	0.0	0.0	2.7	2.7

Statement of financial position

The Group, MSEK	30 June 2012	30 June 2011	31 December 2011
Assets			
Fixed assets			
Intangible fixed assets	13.4	10.0	10.0
Tangible fixed assets	233.8	233.2	244.1
Financial fixed assets	0.2	0.2	0.2
Total fixed assets	247.4	243.4	254.3
Current assets			
Inventories	108.1	110.3	115.6
Current receivables	167.3	166.9	141.3
Liquid assets	2.5	31.0	1.9
Total current assets	277.9	308.2	258.8
Total assets	525.3	551.6	513.1
Shareholders' equity and liabilities			
Shareholders' equity	174.5	158.7	161.4
Long-term liabilities			
Interest-bearing liabilities	62.5	75.0	67.9
Interest-free liabilities	46.7	45.8	42.0
Total long-term liabilities	109.2	120.8	109.9
Short-term liabilities			
Interest-bearing liabilities	70.5	97.0	78.1
Interest-free liabilities	171.1	175.1	163.7
Total short-term liabilities	241.6	272.1	241.8
Total shareholders' equity and liabilities	525.3	551.6	513.1
Pledged assets and contingent liabilities			
Property mortgages	84.8	84.8	84.8
Floating charges	174.0	174.0	174.0
Shares in subsidiaries	203.1	203.3	195.9
Trade receivables pledged as collateral	122.0	108.4	101.4
Guarantees for other companies	1.0	1.0	0.7
Guarantee commitments FPG/PRI	0.2	0.2	0.2

Statement of changes in equity

The Group, MSEK	Q 2 2012	Q 2 2011	Q 1-2 2012	Q 1-2 2011	Q 1-4 2011
Opening balance	167.7	169.1	161.4	167.3	167.3
Dividend	0.0	-7.4	0.0	-7.4	-7.4
Comprehensive income for the period	6.8	-3.0	13.1	-1.2	1.5
Closing balance	174.5	158.7	174.5	158.7	161.4

Statement of cash flows

The Group, MSEK	Q 2 2012	Q 2 2011	Q 1-2 2012	Q 1-2 2011	12 months ongoing	Q 1-4 2011
Operating cash flow ¹⁾	15.2	10.3	26.7	18.9	43.8	36.0
Working capital changes	11.8	-13.8	-2.1	-18.2	1.7	-14.4
Cash flow from operating activities	27.0	-3.5	24.6	0.7	45.5	21.6
Cash flow from investing activities	-4.4	-1.9	-10.6	-5.2	-34.8	-29.4
Cash flow from financing activities	-22.1	-6.9	-13.2	-7.8	-38.8	-33.4
Cash flow for the period	0.5	-12.3	0.8	-12.3	-28.1	-41.2
Liquid assets, opening balance	2.0	42.9	1.9	43.2	31.0	43.2
Translation differences in liquid assets	0.0	0.4	-0.2	0.1	-0.4	-0.1
Liquid assets, closing balance	2.5	31.0	2.5	31.0	2.5	1.9

¹⁾ Cash flow from operating activities before working capital changes.

Accounting Principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Standards Council's RFR 2 Accounting for Legal Entities. The accounting principles applied are identical to the ones used for the latest annual report.

Key ratios

The Group	Q2 2012	Q2 2011	Q 1-2 2012	Q 1-2 2011	12 months ongoing	Q 1-4 2011
Net turnover, MSEK	227.9	236.8	454.4	461.9	829.2	836.7
Income before depreciation, MSEK	19.5	13.1	37.2	24.9	60.9	48.6
Operating income/loss, MSEK	12.1	5.5	22.1	8.8	31.0	17.7
Operating margin, %	5.3	2.3	4.9	1.9	3.7	2.1
Income after financial items, MSEK	10.3	3.7	18.3	5.3	23.6	10.6
Profit margin, %	4.5	1.6	4.0	1.1	2.8	1.3
Return on equity, %	17.7	6.4	15.9	4.7	10.2	4.5
Return on capital employed, %	15.5	6.6	14.5	5.3	9.8	5.6
Cash flow from operating activities, MSEK	27.0	-3.5	24.6	0.7	45.5	21.6
Investments, MSEK	4.6	2.4	8.3	4.9	34.6	31.2
Liquidity reserve, MSEK	-	-	82.2	93.3	-	68.0
Net debt, MSEK	-	-	130.6	141.1	-	144.1
Interest-bearing liabilities and interest-bearing provisions, MSEK	-	-	133.0	172.1	-	146.0
Net debt/equity ratio	-	-	0.75	0.89	-	0.89
Total assets, MSEK	-	-	525.3	551.6	-	513.1
Equity ratio, %	-	-	33.2	28.7	-	31.5
Capital turnover	2.9	2.8	3.0	2.8	2.6	2.6
Proportion of risk-bearing capital, %	-	-	42.1	37.0	-	39.6
Interest coverage ratio	6.2	2.9	5.5	2.4	4.0	2.4
Average number of employees	360	398	360	394	373	391
Net turnover per employee (average), TSEK	633	596	1 262	1 173	2 223	2 140
Income after fin, per employee (average), TSEK	28	9	51	13	63	27
Average number of shares, thousands (No dilution,)	4 933	4 933	4 933	4 933	4 933	4 933
Number of shares, end of period, thousands	4 933	4 933	4 933	4 933	4 933	4 933
Earnings per share, SEK	1.53	0.53	2.71	0.78	3.44	1.51
Equity per share, SEK	-	-	35.37	32.06	-	32.72

Definitions are given in ProfilGruppen's Annual Report 2011. Rounding differences may occur.
When not specified the information regards the total Group.

The parent company

The turnover of the parent company amounted to MSEK 10.7 (12.5) and comprised payments for rents and services from companies in the Group. Profit/loss after financial items amounted to MSEK 10.0 (4.7).

There were no investments made in the parent company during the first six months. During the same period last year investments amounting to MSEK 1.5 were made in real estate. The parent company's interest-bearing liabilities amounted to MSEK 38.5 (48.0) as of 30 June 2012. The change in the parent company's liquidity during the period has been MSEK 0 (0).

The parent company employs one (1) person.

The parent company's risks and uncertain factors have not changed significantly compared to that described in the 2011 annual report.

No significant related transactions apart from above mentioned transactions with subsidiaries have been implemented during the period.

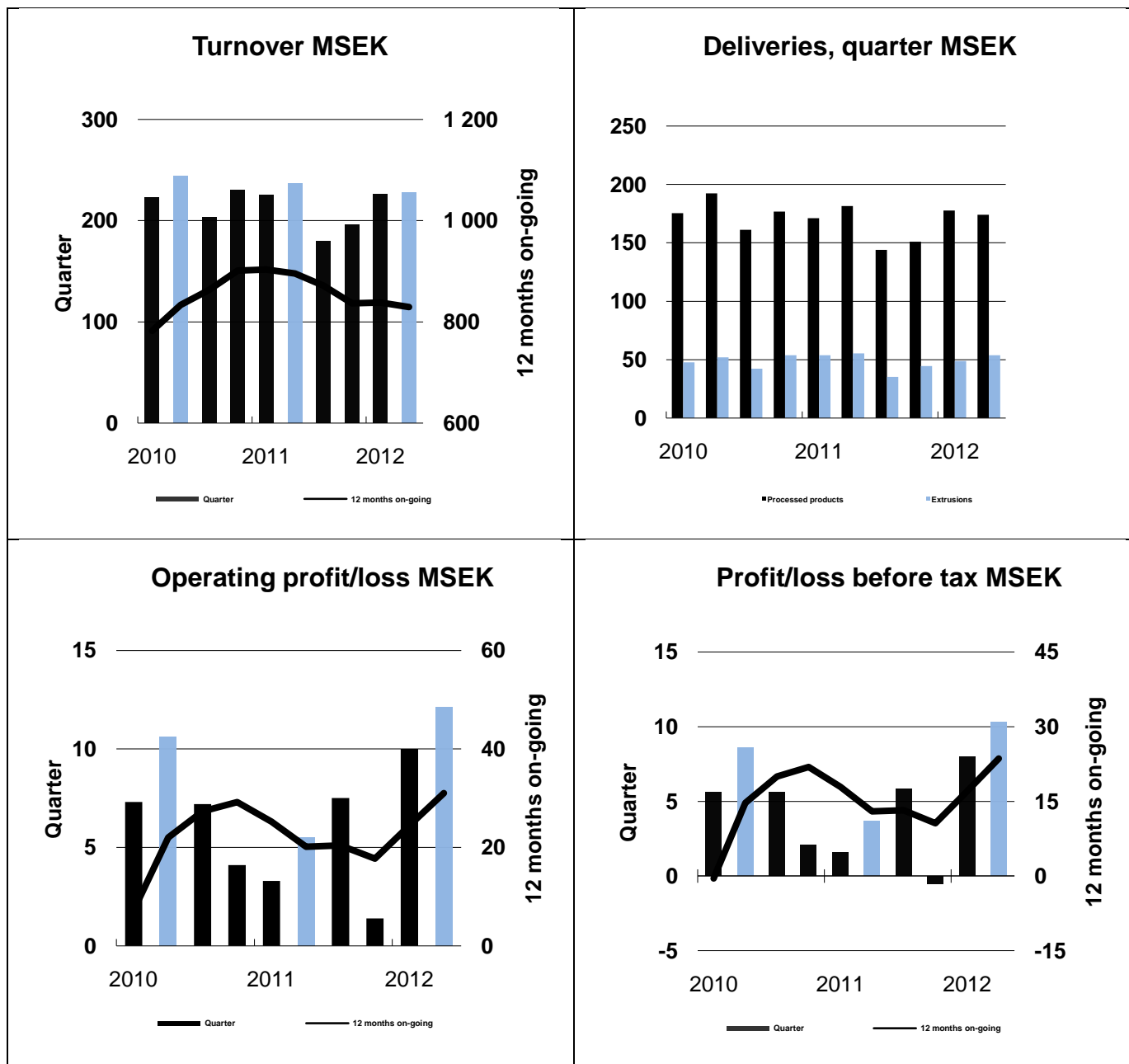
Income Statement – the parent company

Parent company, MSEK	Q 2 2012	Q2 2011	Q 1-2 2012	Q1- 2 2011	Q 1-4 2011
Turnover	5.5	6.2	10.7	12.5	24.3
Cost of goods sold	-0.9	-1.0	-1.9	-1.9	-4.8
Gross margin	4.6	5.2	8.8	10.6	19.5
Other operating revenues	3.7	0.0	3.7	0.0	2.8
Administrative expenses	-0.5	-2.9	-1.7	-5.1	-8.4
Other operating expenses	0.0	0.0	0.0	0.0	0.0
Operating income	7.8	2.3	10.8	5.5	13.9
Interest income	0.0	0.0	0.2	0.0	4.0
Interest expenses	-0.4	-0.5	-1.0	-0.8	-5.2
Income after financial items	7.4	1.8	10.0	4.7	12.7
Appropriations	0.0	0.0	0.0	0.0	1.7
Income before tax	7.4	1.8	10.0	4.7	14.4
Tax	-2.0	-0.5	-2.7	-1.3	-3.9
Net income for the period	5.4	1.3	7.3	3.4	10.5

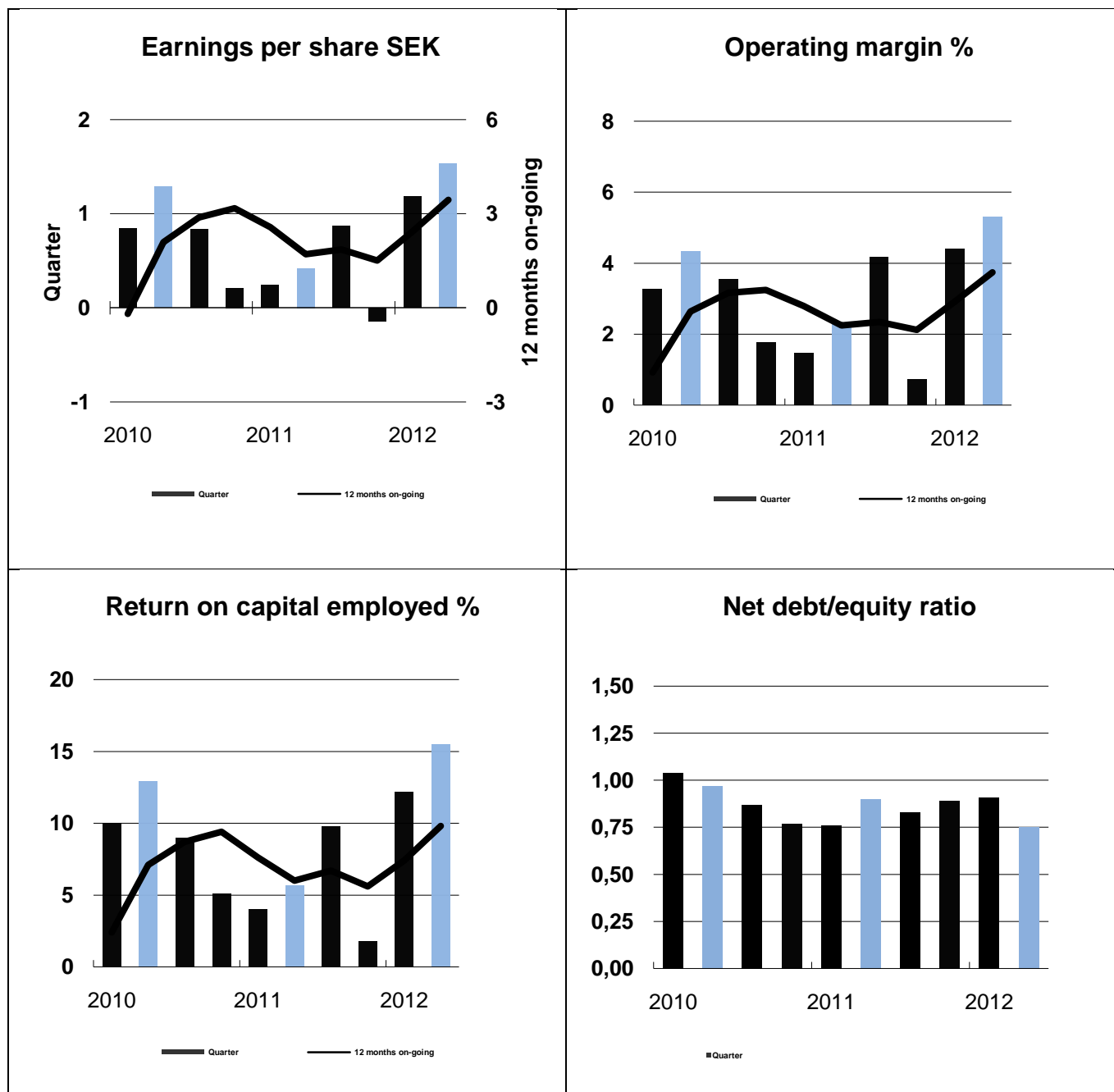
Balance sheet – the parent company

Parent company, MSEK	30 June 2012	30 June 2011	31 December 2011
Assets			
Tangible assets			
Tangible fixed assets	93.4	94.3	95.3
Financial assets	108.9	108.9	108.9
Total fixed assets	202.3	203.2	204.2
Current assets			
Current receivables	2.8	3.9	1.4
Cash and bank balances	0.4	0.4	0.4
Total current assets	3.2	4.3	1.8
Total assets	205.5	207.5	206.0
Equity and liabilities			
Equity	47.3	33.0	40.0
Untaxed reserves	23.1	24.8	23.1
Provisions for taxes	3.4	2.9	3.3
Long-term liabilities	21.0	30.5	25.8
Current liabilities	110.7	116.3	113.8
Total equity and liabilities	205.5	207.5	206.0

The Group



The Group



Brief facts about the Group

- ProfilGruppen AB in Åseda, Småland in Sweden develops, manufactures and delivers customised extrusions and components in aluminium.
- The company has customers in several European countries and during 2011 50 per cent of the volume was exported.
- Aluminium extrusions are used within many industries, for example construction, automotive industry, telecommunications/electronics and furnishings.
- The manufacture of extrusions takes place on three modern press lines at the company's facilities at ProfilGruppen Extrusions AB. Processing like cutting processing, surface treatment, friction stir welding, bending and assembly takes place at the company's facilities in Åseda and Klavreström.
- Over the last few years ProfilGruppen has invested heavily in equipment for the manufacturing and processing of aluminium extrusions.
- The company cooperates with around ten regional suppliers who process products on behalf of ProfilGruppen.
- The company is quality-certified in accordance with ISO/TS 16949, ISO 9001 and ISO 14001.
- ProfilGruppen AB was listed on the Stockholm Stock Exchange in June 1997 and is listed as Small Cap.